

25X1A

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[REDACTED] kmg
(2 Mar 71)

1. RISE IN CONSUMER PRICE INDEX (CPI) DURING JANUARY HAS TRIGGERED THREE MONTH WAITING PERIOD FOR POSSIBLE COST OF LIVING INCREASE (CLI) FOR RETIREES. IF REPEAT IF CPI REMAINS AT PRESENT LEVEL FOR FEBRUARY AND MARCH, AT LEAST FOUR PERCENT CLI WOULD BE EFFECTIVE 1 JUNE 1971. WHETHER CPI REMAINS AT REQUIRED LEVEL DURING MARCH WILL NOT BE KNOWN UNTIL END APRIL.

2. ELIGIBLE EMPLOYEES CONTEMPLATING RETIREMENT SHOULD CONSIDER WHETHER TO THEIR ADVANTAGE EXERCISE OPTION RETIRE BY 31 MAY, ON LIKELY BASIS CLI WILL BE AUTHORIZED. ADVISE HQS NAMES THOSE INTERESTED IN ACCELERATED RETIREMENT.

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D/Pers [REDACTED] ft
SSA/DVS [REDACTED]

Headquarters
EMPLOYEE BULLETIN

POSSIBLE COST-OF-LIVING ANNUITY INCREASE

1. Both the Civil Service Retirement Act and the Central Intelligence Agency Retirement Act contain provisions for adjustments in annuity when the cost-of-living, as reflected in the Consumer Price Index (CPI), equals a rise of at least 3 percent for three consecutive months over the CPI for the base month. The current base month is May 1970. The CPI level needed to trigger a cost-of-living increase is 119.2,

2. The CPI for the month of January reached a level of 119.2, which is 3 percent over the base month used in calculating the cost-of-living annuity increase. If the CPI for the months of February and March remains at, or above the level needed to readjust the annuity, an automatic cost-of-living annuity increase will become effective on 1 June 1971 for present annuitants and those who retire by 31 May 1971. It is likely that a cost-of-living increase will be authorized and that the amount will be at least 4 percent (3 percent plus 1 percent authorized under recent retirement legislation). Should the CPI for February and March reach a level higher than that reported for the month of January, the cost-of-living increase will be above 4 percent. The CPI for February will be released about 20 March 1971 and for March, about 20 April 1971.

3. Eligible employees contemplating retirement should consider whether it would be to their advantage to exercise the option to retire by 31 May. Their decision, of course, would be contingent upon the granting of the anticipated cost-of-living increase. Eligible employees who might wish to retire by 31 May 1971 should contact the Retirement Affairs Division as early as possible to provide sufficient lead time to review service records and prepare estimated annuities.

APPROVAL TO PUBLISH:

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/s/ Robert S. Wattles
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for Support